

## CHDO CHECKLIST

Applicant Agency: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone No: \_\_\_\_\_

Certification: \_\_\_\_\_  
Re-Certification: \_\_\_\_\_  
Date: \_\_\_\_\_  
E-mail: \_\_\_\_\_

*The information contained in this checklist refers to the definition of Community Housing Development Organization (CHDO) in the HOME Rule, Subpart A ,§92.2. This checklist is a tool utilized by the City of Fresno to track the required certification documentation that must be submitted for CHDO certification. The completed check list and the required documents, become the CHDO application packet which is maintained on file to confirm compliance with HUD regulations.*

### **I. LEGAL STATUS**

- A. The nonprofit organization is organized and remains in good standing with state and local laws, as evidenced by:
- \_\_\_\_\_ Certificate of good standing from the Secretary of State (*updated copy for re-certifications*).
- B. No part of the organizations net earnings shall inure to the benefit of any member, founder, contributor or individual, as evidenced by:
- \_\_\_\_\_ Articles of Incorporation (*Re-certifications: provide letter certifying that Articles of Incorporation have not been amended*).
- \_\_\_\_\_ By Laws (*Same as above. If bylaws have been amended, include adopted amendments since the previous submission*).
- C. A tax exemption ruling from the Internal Revenue Service (IRS) under section 501(c)(3) or 501(c)(4) of the Internal Revenue Service Code of 1986, as evidenced by either having **a conditional or final 502 (c) designation** as evidenced by:
- \_\_\_\_\_ Copy of IRS Letter (*Re-certification applicants must provide updated letter certifying good standing status*).
- \_\_\_\_\_ Copy of California Franchise Tax Board (*Re-certification applicants must provide updated letter*).
- \_\_\_\_\_ Self-certifying letter of good standing (*for re-certification*).

### **OR**

- If classified as a subordinate of a central organization non-profit under Section 905 of the Internal Revenue Code, as evidenced by:
- \_\_\_\_\_ A group exemption letter from the IRS that includes the CHDO.
- D. Has among its purposes, the provision of decent housing that is affordable to low and moderate income people, as evidenced by a statement in the organizations:
- \_\_\_\_\_ Charter,  
\_\_\_\_\_ Articles of Incorporation,  
\_\_\_\_\_ By Laws, OR  
\_\_\_\_\_ Resolutions.
- E. Has a clearly defined geographic service area:
- \_\_\_\_\_ Written description,  
\_\_\_\_\_ Map

## II. CAPACITY

- A. Conforms to the financial accountability standards of the Federal Regulations (CFR 24 ) 84.21, "Standards for Financial Management Systems", as evidenced by:
- \_\_\_\_\_ The last two year's Financial Statements prepared in accordance with standard requirements and procedures.
- \_\_\_\_\_ Copy of a Single Audit Report and Management Letters.
- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:
- \_\_\_\_\_ Resumes of experienced Key Staff who have completed projects similar to those projected by the CHDO.
- \_\_\_\_\_ Has key staff with limited or no experience (attach resumes), and will use experienced consultants for planning and development activities and will have a plan in place for the consultant to train key staff, and
- C. Has a history of serving the community in the construction of low income housing funded with HOME funds, as evidenced by:
- \_\_\_\_\_ A self-certifying statement that documents ***at least one-year of experience*** in serving the community in either housing, social services or economic development. Please attach substantiating documentation that will confirm involvement in local activities (*such as copies of minutes of local meetings, announcements of activities, flyers, brochures, news paper articles, recognition letters, awards, etc.*).
- \_\_\_\_\_ For newly created organizations formed or sponsored by a non-profit agency such as local church, service or community organization, ***they must provide a statement that documents that its parent organization has had at least one-year of experience in serving the community they plan to serve.***

### RE-CERTIFICATION APPLICANTS

- \_\_\_\_\_ A self-certifying statement that documents the history of serving the community since the last CHDO certification. (*Describe housing activities provided by the organization, such as the development of new housing, rehabilitation and/or management of housing stock and photos if possible*).
- \_\_\_\_\_ Provide copies of flyers, brochures, meeting minutes, etc., documenting events carried out by the Agency during the two year period.

## III. ORGANIZATIONAL STRUCTURE

### A. BOARD REPRESENTATION:

The CHDO must maintain **at least one-third of its governing board's membership for residents of low income neighborhoods**, other low income community residents, or elected representatives of low income neighborhood organizations, as evidenced by the organization's:

- \_\_\_\_\_ By Laws,
- \_\_\_\_\_ Charter, or
- \_\_\_\_\_ Articles of Incorporation, AND
- \_\_\_\_\_ Provide list of governing board members, 1) their representative make-up, and 2) *the entity or person making the appointment or the appointing agency and 3) their term of office & expiration date (see attached recommended format).*

*The following restrictions apply to CHDO's chartered by a state or local government, (1) the state or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the state or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials (including any employees of the participating jurisdiction).*

- B. Provides a formal process for low-income program beneficiaries to advise the organization all of its decision making. The process must allow constituents to advise the organization regarding design, location, development and management of affordable housing projects, as evidenced by:

\_\_\_\_\_ By Laws  
\_\_\_\_\_ Board Resolution, if not included in By Laws  
\_\_\_\_\_ Copy of written operating procedures approved by the governing board.

## V. RELATIONSHIP WITH FOR-PROFIT ENTITIES

- A. If the CHDO is sponsored or created by a for-profit entity, ***the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing board.*** The board members appointed by the for-profit entity ***may not***, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

\_\_\_\_\_ By Laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

- B. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:

\_\_\_\_\_ A self-certifying statement.  
\_\_\_\_\_ By Laws

- C. A Community Housing Development Organization (CHDO) may be sponsored or created by a for-profit, however:

1. The for-profit entity's primary purpose does not include the development or management of housing, as evidenced by:

\_\_\_\_\_ The for-profit organization's by laws and;

2. The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by the CHDO's:

\_\_\_\_\_ By Laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.